

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 12-0217

WHEREAS, The *California Renewable Energy Resources Act (The Act)*, effective as of December 10, 2011, requires the governing boards of local publicly-owned electric utilities to adopt an Enforcement Program that identifies the process under which the governing board intends to comply with the amended requirements of California's Renewable Portfolio Standard (RPS); and

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) approved its Enforcement Program with the adoption of Resolution 11-0202 on December 13, 2011; and

WHEREAS, The Enforcement Program in turn establishes a process for preparation of Procurement Plans that are compatible with the Commission's budget process; and

WHEREAS, Staff of the SFPUC has developed a Procurement Plan (attached to this resolution and incorporated herein) that meets the requirements of the Enforcement Program and state law; and

WHEREAS, The Procurement Plan identifies the SFPUC's requirements under the RPS and includes forecasts of the SFPUC's likely obligations under the RPS over a specified time period, including current and subsequent budget cycles, and longer term planning horizons where appropriate; and

WHEREAS, The Procurement Plan includes a process, guidelines and authority for forecasting and procuring the electricity supplies needed to meet the SFPUC's requirements under the RPS, subject to certain limits; and

WHEREAS, The Enforcement Program requires that Procurement Plans include certain elements as described above, as well as consideration of such factors as the cost of implementation and resulting customer rate impacts; and

WHEREAS, The Procurement Plan establishes a cost limitation on additional RPS-eligible supplies procured to meet the RPS requirements, as permitted by state law; and

WHEREAS, The Procurement Plan requires that as part of the adopted budget process, the SFPUC's Risk Management budget will include reserves to fund additional RPS-eligible resources that may be needed to address potential shortfalls under known uncertainties such as dry-year forecasts; and

WHEREAS, The Procurement Plan establishes an upper limit on the amount the SFPUC will pay for additional RPS-eligible supplies necessary to meet the requirements of the RPS equal to \$100/MWh above the market cost of comparable electricity supplies that are not RPS-eligible; and

WHEREAS, The Procurement Plan identifies the criteria under which the Commission may defer compliance with the RPS obligations based on circumstances beyond its control, as permitted by state law; and

WHEREAS, The Bureau of Environmental Management of the SFPUC has determined adoption of the proposed Procurement Plan to be exempt from environmental review under Section 15308 (Class 8, Actions by Regulatory Agencies for Protection of the Environment) of the California Environmental Quality Act (CEQA) Guidelines; and

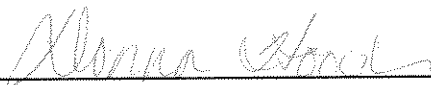
WHEREAS, The SFPUC recognizes that further changes to the Procurement Plan may be required in the future as market conditions, operations, and regulations change; and

WHEREAS, The Procurement Plan Forecasts included as Attachment B to the Procurement Plan were prepared consistent with the Commission's adopted budget through June 2014 and adopted financial forecasts through 2022, and will be updated as needed consistent with the Commission's established process for approving and adopting budgets and financial forecasts; now, therefore, be it

RESOLVED, That this Commission hereby approves and adopts the attached Procurement Plan, including cost limitation, excess procurement, and deferral provisions therein, and be it further

RESOLVED, That this Commission authorizes the General Manager to take all necessary actions to enter into transactions consistent with the Procurement Plan, subject to the guidelines and limits described in the Procurement Plan.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of _____ *November 13, 2012*



Secretary, Public Utilities Commission